

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office		(2) MEETING DATE March 7, 2006		(3) CONTACT/PHONE Dan Buckshi, (805) 781-5011	
(4) SUBJECT Submittal of a resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 14 to the City of Pismo Beach (Los Robles del Mar).					
(5) SUMMARY OF REQUEST This request relates to the annexation of approximately 182 acres of property currently zoned Rural Lands to the City of Pismo Beach. The purpose of the annexation is to obtain City services in order to facilitate the development of the property into high and low density residential, with open space and a private school. Jurisdictional changes such as this can change service area responsibilities and/or impact operating expenses and revenues. The law requires affected jurisdictions (in the case, the County and the City of Pismo Beach) to negotiate an exchange of property tax revenue prior to the Local Agency Formation Commission's approval of the proposed change. This resolution is being presented for adoption within the 60-day time frame which commenced on February 28, 2006. The County Administrative Office and the City of Pismo Beach staff negotiated on behalf of their respective agencies.					
(6) RECOMMENDED ACTION Approve the resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 14 to the City of Pismo Beach (Los Robles Del Mar).					
(7) FUNDING SOURCE(S) N/A		(8) CURRENT YEAR COST N/A		(9) ANNUAL COST N/A	
(10) BUDGETED? <input type="checkbox"/> YES <input type="checkbox"/> N/A <input type="checkbox"/> NO					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): The Local Agency Formation Commission has the authority to oversee annexation of property. The City of Pismo Beach participated in the tax exchange negotiations. The Auditor's Office provided the financial analysis.					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) 1st, 2nd, <u>3rd</u> , 4th, 5th, All			(14) LOCATION MAP <input checked="" type="checkbox"/> Attached <input type="checkbox"/> N/A		
(15) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(16) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A		
(17) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A			(18) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		

(19) ADMINISTRATIVE OFFICE REVIEW	<p style="font-size: 1.2em; font-family: cursive;">OK - Jim Gorman</p> <div style="text-align: right; font-size: 2em; font-family: cursive; transform: rotate(-15deg);"> B-2 (3.7.06) </div>
-----------------------------------	--

County of San Luis Obispo

COUNTY GOVERNMENT CENTER, RM. 370 • SAN LUIS OBISPO, CALIFORNIA 93408 • (805) 781-5011



TO: BOARD OF SUPERVISORS

FROM: DAN BUCKSHI, ADMINISTRATIVE ANALYST III

DAVID EDGE
COUNTY ADMINISTRATOR

DATE: MARCH 7, 2006

SUBJECT: SUBMITTAL OF A RESOLUTION ACCEPTING THE EXCHANGE OF PROPERTY TAX REVENUE AND ANNUAL TAX INCREMENT FOR ANNEXATION NO. 14 TO THE CITY OF PISMO BEACH (LOS ROBLES del MAR)

Recommendation

Approve the resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 14 to the City of Pismo Beach (Los Robles Del Mar).

Discussion

This request relates to the annexation of approximately 182 acres of property currently zoned Rural Lands to the City of Pismo Beach. The property, currently undeveloped, is located along the eastern part of Oak Park Boulevard, east of the City of Arroyo Grande, north and northwest of unincorporated County lands, south of the City of Pismo Beach, adjacent to the Sea Country Estates. The purpose of the annexation is to obtain City services in order to facilitate the development of the property into high and low density residential, with open space and a private school. Jurisdictional changes such as this can change service area responsibilities and/or impact operating expenses and revenues. The law requires affected jurisdictions (in the case, the County and the City of Pismo Beach) to negotiate an exchange of property tax revenue prior to the Local Agency Formation Commission's approval of the proposed change. This resolution is being presented for adoption within the 60-day time frame which commenced on February 28, 2006. The County Administrative Office and the City of Pismo Beach staff negotiated on behalf of their respective agencies.

Other Agency Involvement/Impact

The Local Agency Formation Commission has the authority to oversee annexation of property. The property is proposed to be annexed into the City of Pismo Beach, therefore, as one of the affected agencies, the City of Pismo Beach participated in the tax exchange negotiations. The Auditor's Office provided the financial analysis.

Handwritten signature/initials

BOARD OF SUPERVISORS

March 7, 2006

Page 2

Financial Considerations

Per the Master Tax Exchange Agreement between several of the cities and the County, the County will retain all of the base property tax and 2/3 of the incremental property tax. The County's portion of the property tax, prior to the Educational Revenue Augmentation Fund (ERAF) calculation, is 36.83416%. As such, the County will transfer 1/3, or 12.276826%, of the property tax increment to the City of Pismo Beach.

Results

To agree to a fair and equitable exchange of property tax revenue as a result of an annexation of property.

Attachments

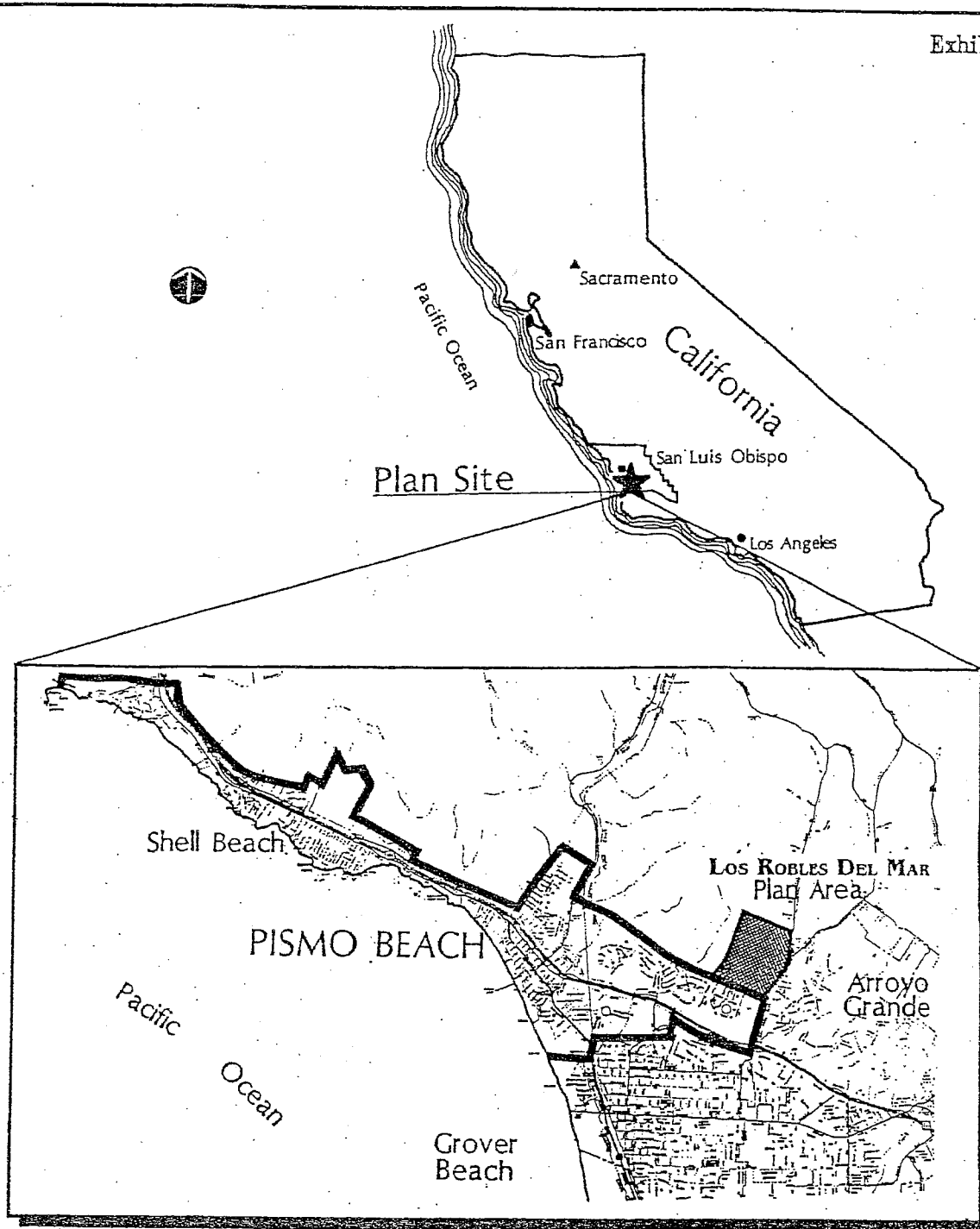
Map of proposed annexation

c - Dave Fleishman, City of Pismo Beach
Marsha Stillman, Auditor-Controller's Office
Paul Hood, LAFCO

B-2
B-3

Los Robles Del Mar Specific Plan

Exhibit 1



PISMO BEACH, CALIFORNIA

LOS ROBLES DEL MAR

Regional
Location Map

B2
4

IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

_____ day _____, 2006

PRESENT:

ABSENT:

RESOLUTION NO. _____

**RESOLUTION ACCEPTING NEGOTIATED EXCHANGE OF
PROPERTY TAX REVENUE AND ANNUAL TAX INCREMENT
BETWEEN THE COUNTY OF SAN LUIS OBISPO AND
THE CITY OF PISMO BEACH**

The following resolution is hereby offered and read:

WHEREAS, in the case of a jurisdictional change other than a city incorporation or district formation which will alter the service area or responsibility of a local agency, Revenue and Taxation Code Section 99(a)(1) requires that the amount of property tax revenue to be exchanged, if any, and the amount of annual tax increment to be exchanged among the affected local agencies shall be determined by negotiation; and

WHEREAS, when a city is involved, the negotiations are conducted between the City Council and the Board of Supervisors of the County; and

WHEREAS, when a special district is involved, the negotiations are conducted by the Board of Supervisors of the County on behalf of the district or districts, unless otherwise requested by said district or districts pursuant to Revenue and Taxation Code Section 99(b)(5); and

WHEREAS, Revenue and Taxation Code Section 99(b)(6) requires that each local agency, upon completion of negotiations, adopt resolutions whereby said local agencies agree to accept the negotiated exchange of property tax revenues, if any, and annual tax increment and requires that each local agency transmit a copy of each such resolution to the Executive Officer of the Local Agency Formation Commission; and

WHEREAS, no later than the date on which the certificate of completion of the jurisdictional change is recorded with the County Recorder, the Executive Officer shall notify the County Auditor of the exchange of property tax revenues by transmitting a copy of said resolutions to him and the County Auditor shall thereafter make the appropriate adjustments as required by law; and

WHEREAS, the City of Pismo Beach (City) and the County of San Luis Obispo (County) have agreed to utilize the property tax exchange methodology pursuant to Joint Resolution No. 01-96 which provides that in the case of undeveloped property, all of the "base" property tax revenues will be retained by the County, with incremental property tax revenues to be apportioned between the County and City as follows: in the case of land pre-zoned for non-residential uses (such as retail, offices or manufacturing), the County will receive all of the incremental property tax revenues; and in the case of land pre-zoned for residential uses, the County will receive two-thirds of incremental property tax revenues it would otherwise have received from the Tax Rate Area, and the City will receive the remaining one-third of the current .3683416 County General Fund allocation factor before deduction for ERAF.

WHEREAS, the negotiations have taken place concerning the transfer of property tax revenues and annual tax increment between the County of San Luis Obispo and the City of Pismo Beach pursuant to Section 99(a)(1) for the jurisdictional change designated as Annexation No. 14 to the City of Pismo Beach (Los Robles del Mar); and

WHEREAS, the negotiating party, to wit: Dan Buckshi, Administrative Analyst, County of San Luis Obispo, on behalf of the County and Dave Fleishman, on behalf of the City of Pismo Beach have negotiated the exchange of property tax revenue and annual tax increment between such entities as hereinafter set forth; and

B-2
5

WHEREAS, it is in the public interest that such negotiated exchange of property tax revenues and annual tax increment be consummated.

NOW, THEREFORE BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth above are true, correct and valid.

2. That the County of San Luis Obispo agrees to accept the following negotiated exchange of base property tax revenues and annual tax increment.

(a) No base property tax revenue shall be transferred from the County of San Luis Obispo to the City of Pismo Beach.

(b) Annual tax increments shall be transferred from the County of San Luis Obispo to the City of Pismo Beach in fiscal year 2007-2008 and each fiscal year thereafter in the amount of 12.276826 percent before ERAF.

(c) All annual tax increment for the County Road Fund shall be transferred to the County General Fund.

(d) The annexed property will be responsible for any current or future City bonds.

3. Upon receipt of a certified copy of this resolution and a copy of the recorded certificate of completion, the County Auditor shall make the appropriate adjustments to property tax revenues and annual tax increments as set forth above.

4. That the County Clerk is authorized and directed to transmit a certified copy of the resolution to the Executive Officer of the San Luis Obispo Local Agency Formation Commission, who shall then distribute copies in the manner prescribed by law.

Upon motion of Supervisor _____, seconded by Supervisor _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing resolution is hereby adopted.

Chairperson of the Board of Supervisors

ATTEST

Clerk of the Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT
JAMES B. LINDHOLM, JR.
County Counsel

By: 
Assistant County Counsel

Date: 2/12/06

B-2
C